

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
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(201) 504-3600

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IN THE MATTER OF: :

SECURITIES REGISTRATION EXEMPTION : ORDER
FOR CERTAIN OFFERS OF SECURITIES :
MADE ON THE INTERNET :
- - - - -

WHEREAS, the Chief of the New Jersey Bureau of Securities ("Bureau Chief") is charged with the administration of the Uniform Securities Law, as amended, (the "Law"), N.J.S.A. 49:3-47 et seq., and the Regulations, N.J.A.C. 13:47A-1.1 et seq., promulgated under the Law.

WHEREAS, N.J.S.A. 49:3-67(a) provides, in part, that "[t]he bureau chief may from time to time make, amend and rescind such...orders as are reasonably necessary to carry out the provisions of this law...";

WHEREAS, N.J.S.A. 49:3-50(b) states that: "The following transactions are exempted from [the securities registration requirement and the sales literature requirement in] sections 13 and 16 of this act."

WHEREAS, the Bureau Chief acknowledges that an attempt to offer to dispose of, or the solicitation of an offer to buy, a security or an interest in a security for value, that is made on or through the Internet, the World Wide Web or a similar proprietary or common carrier electronic system (such systems hereinafter being referred to collectively as the "Internet"), would constitute an

"offer" for purposes of N.J.S.A. 49:3-49(j)(2) and would otherwise trigger the registration and sales literature filing requirements in N.J.S.A. 49:3-60 and N.J.S.A. 49:3-63;

WHEREAS, the Bureau Chief also acknowledges that use of the Internet may be a legitimate means of raising capital, and that a communication made on the Internet may be directed not only to particular recipients but also to anyone with access to the Internet;

WHEREAS, the Bureau Chief further finds that the registration of certain Internet offers is not necessary or appropriate in the public interest or for the protection of investors;

THEREFORE, it is on this 28th day of August, 1996, HEREBY ORDERED that:

- 1) Pursuant to N.J.S.A. 49:3-50(b), offers of securities made by, or on behalf of, issuers on or through the Internet shall be exempt from N.J.S.A. 49:3-60 and N.J.S.A. 49:3-63 if the following conditions are observed:
 - (A) The Internet offer indicated, directly or indirectly, that the securities are not being offered to residents of New Jersey;
 - (B) The Internet offer is not specifically directed to any person in New Jersey by, or on behalf of, the issuer of the securities; and
 - (C) No sales of the issuer's securities are made in New Jersey as a result of the Internet offering until such time as the securities being offered have been registered under N.J.S.A. 49:3-61 or N.J.S.A. 49:3-61.1 and a final

prospectus or Form U-7 is delivered to New Jersey investors prior to such sales.

- 2) Nothing in this Order shall preclude an issuer, or a person acting on behalf of an issuer, which offers securities on the Internet or effects sales to New Jersey residents following such an offering from relying upon any other applicable exemption pursuant to N.J.S.A. 49:3-50 nor shall this Order relieve such persons from liability under N.J.S.A. 49:3-52.
- 3) This Order shall remain in effect until amended or rescinded by the Bureau Chief.



Thomas J. Gaynor
Chief, Bureau of Securities